DEVELOPMENT

Single Project User's Guide 09/2005

The current document provides a resume of the principal contractual stages relating to the Agreement signed between your company and the Education, Audiovisual & Culture Executive Agency following your response to the Calls for Proposals 09/2005. This document is strictly informative and is of no legal value whatsoever.

1. Payment of the grant

The Agency has allocated to you financial support, the amount of which is stated in Article I.3.3 of the Agreement, which must be used for the development of the fiction, documentary, animation or multimedia audiovisual project detailed in the Agreement.

The MEDIA grant will be paid in two instalments:

- a pre-payment equivalent to 70% of the contribution is paid automatically upon the signing of the Agreement

- a final payment equivalent to a maximum of 30% of the contribution is paid following the acceptance of the "Final Report".

2. Development costs: Eligibility Period and Budget Variations

a) Eligibility Period for costs under Item 1 "Rights" of the budget:

The period of eligibility of costs begins 12 months before the date of reception of your submission. It ends at the latest 26 months after the date of signing of the Agreement. If the project enters into production during the 26 months the period of eligibility ends on the date of entry into production (1st day of principal photography or equivalent). Costs invoiced after the entry into production are therefore ineligible.

Attention: Costs which are the subject of an agreement (writer's contract, adaptation agreement etc) signed before the 12 months preceding the reception of your submission will not be considered. If the agreement in question is dated more than 12 months before the date, only the costs invoiced during the eligible period can be taken into consideration.

b) Eligibility Period for costs under Item 2 "Development Department Salaries" and Item 3 "Other Costs" of the budget:

The period of eligibility of costs commences from the date of signature of your Agreement (or the date of reception of your submission if you have chosen to benefit from the possibility of derogation of costs proposed within the application form). It ends no later than 26 months after the date of signing the Agreement. If the project enters into production during the 26 months the eligible costs end on the date of entry into production (1st day of principal photography or equivalent).

If for an exceptional reason, duly justified, you require an extension to the eligibility period you must formally submit a request for an extension to the Agency before the end of the foreseen contractual eligibility period.

c) Budget Variations:

Article I.3.4 of your Agreement stipulates that the provisional budget annexed to it may be adjusted provided that any adjustments do not affect the implementation of the project and does not exceed the total eligible costs. The following procedure must be followed:

- If the amount of one or other of the three budget items increases between 15% and 30% you must advise the Agency in writing at the latest at the time of submission of the final report and provide a justification for the variations.

- If the amount of one or other of the three budget items exceeds 30% you must request the Agency's prior approval and provide a justification. In such cases the adjustments will be the subject of an exchange of letters. Attention: You request for an adjustment must be made at least one month before the end of the period of eligibility of costs.

3. Final Report

The final payment of MEDIA support will not be made before the submission and approval of a final report. This report must be submitted no later than 27 months after the date of signing the Agreement; that is one month after the ending of the period of eligibility of costs. If the project enters into production during the 27 months following the signing of the Agreement you must submit the final report one month after the first day of principal photography.

The Final Report will:

Provide an update on the current state of development of the project

Be used to calculate the final amount of MEDIA support

You must submit the following documentation:

Final Development Package – detailing the current state of development of the project

Final Financial Report – showing the costs incurred (by your company alone) during the eligible period as defined in Article I.2.2 of the Agreement. This report along with the accompanying Certification Slip must be signed by the person who signed the Agreement on behalf of your company and by an independent chartered accountant. Eligible costs are detailed in Article II.14 of your Agreement.

Proof of payment (bank statement or equivalent) of writers' fees and the acquisition or reservation of rights to the project

Final version (or the most recent) of the script or equivalent (treatment, design document, demo) showing that development work has taken place since the submission of your response to our Call for Proposals. This document must carry the following credit "Developed with the support of the MEDIA Programme of the European Community" and the MEDIA logo.

The MEDIA contribution cannot exceed 50% of the certified eligible costs. If the amount of eligible costs does not represent more than double of the foreseen MEDIA contribution, the Agency will reduce the amount of the final payment or demand either a partial or total repayment of the pre-payment.

4. Reinvestment

You are required to keep the Agency informed of the dates of entry into and ending of production of the project being supported.

At the end of the production you must allocate an equivalent amount to that provided towards the support of another project. This reinvestment project must be in the course of development – a project cannot be considered for support if production has already commenced.

The reinvestment proposal must be submitted to the Agency for approval no later than six months after the end of production using the format detailed in Article .5.3 of the Agreement.

Reinvestment Application Form: Presentation of the project which must be accompanied by Rights Options, Writers' Agreements, CVs and any Co-financing Agreements, in annex. You must also show that the project is eligible in terms of format and content.

Reinvestment Budget Form: Provisional development budget. We would ask you ensure the correctness of calculations, to ensure that the budget is balanced (expenditure = income) and only contains eligible costs.

Details of Specific Bank Account: (as mentioned in Article I.6 of the Agreement), showing that the total amount paid by the Agency has been repaid into the account.

The reinvestment procedure is detailed in Article I.10.3 of your Agreement.

5. Closure of the Agreement

The approval of the reinvestment proposal marks the closure of the Agreement. The submission of a report on the development of the project is not required. However, the Agency reserves the right to have an audit carried out into the use of the MEDIA grant for a period up to five years following the payment of the final amount in accordance with Article II.19 of the Agreement.

If the project that has been supported does not enter into production during the 36 months following the signing of the Agreement the submission of a Closing Report giving an update on the state of the project will be required (Article I.5.4). The Agreement will be closed upon approval of the report.

6. Correspondence

Unless otherwise stated all correspondence should be sent to the following address:

Education, Audiovisual & Culture Executive Agency
MEDIA Programme Development – Unit P8
Avenue du Bourget 1
BOUR 3/32A
B – 1140 Brussels

In order to allow us to deal with your dossier in the most efficient way, we would ask that you keep the Agency fully informed of all changes relating to details contained within your Agreement: legal status and address (legal and/or mailing) of your company, change of the legal representative, changes to the specific bank account. These changes must be the subject of a formal modification to your Agreement.